

Monthly Fact Sheet 31 March 2015

Launch Date 20th October 2014

Share Price (as at 31.03.15)

Shares	Income	Accumulation
B Shares	110.05p	110.05p

Codes (B Shares)

	Income	Accumulation
Sedol	BP85595	BP855B7
ISIN	GB00BP855954	GB00BP855B75

Annual Management Fee (%)

B Shares 0.75

Minimum Investment

B Shares £1,000

Fund Managers



James Baker

a history graduate from Cambridge University, has over 30 years of equity market experience on both buy and sell sides, specialising for all of his career in UK Small and Mid caps stock selection. He has

worked for several organisations over the years, but most notably spent 11 years from 1999 to 2011 as part of the ABN Amro, Small Mid cap sales team, which was consistently top ranked by Extel. Prior to joining Chelverton he worked as the Assistant fund manager on the Rathbone UK Recovery Fund.



David Taylor

began his career as an analyst in the research department at Wedd Durlacher and moved into fund management in 1987 with the Merchant Navy Officers Pension Fund. He joined Gartmore Investment Limited in 1991, during this time, he ran a combination of institutional funds and

investment trusts, namely the Clydesdale Investment Trust and London & Strathclyde Trust. In 1995, he moved to LGT to manage small cap retail funds and latterly spent nearly seven years as head of UK smaller companies at HSBC Asset Management. He joined Chelverton Asset Management in January 2006 and has co-managed the Chelverton UK Equity Income Fund since launch.

Source & Copyright: CITYWIRE. David Taylor is AAA rated by Citywire for his 3 year risk adjusted performance for the period 31/03/2012 - 31/03/2015.

PFS Chelverton UK Equity Growth Fund

Investment Objective and Policy

The objective of the fund is to achieve long-term capital growth by investing primarily in a portfolio of fully listed and AIM traded UK equities.

Monthly Manager Commentary

The positive domestic macro trends continued last month with employment levels and real incomes both improving and manufacturing activity picking up. At the same time with a weak oil price putting continued downward pressure on inflation the prospect of rate rises now seems to be a discussion for next year amongst most commentators. Stable interest rates and a 'robust' domestic economy should provide a good background for relative small and mid-cap performance from current levels of valuation. The busy March results season has delivered a small aggregate upgrade in earnings forecasts for small and mid-caps although we believe that expectations have been tempered by the impending election. Elsewhere it is noticeable that sentiment is continuing to improve towards the Eurozone economies after the recent depreciation of the euro and GDP growth forecasts there have been revised upwards

Overall the Fund's performance was flat in March, mirroring the wider UK equity market. Our best performing stock was Focusrite, a recent IPO, which responded very well to a positive trading update. Following close behind was Escher, which recovered strongly from an earlier downgrade on the back of a more reassuring update. Brady also performed strongly on the back of good results. On the negative side Soco International was very weak on the back of a reserves downgrade, and Home Retail was disappointing, as its multi-channel retail strategy has so far failed to drive sales growth. A number of Industrials (namely IMI, XP Power, Melrose, Ultra Electronics and Servelec) were weak, although only Solid State suffered a really significant fall, giving up recent gains.

We took advantage of the weakness in some Industrials to start holdings in some of our preferred investment candidates (namely Avon Rubber, Victrex and Hill & Smith) at relatively attractive valuations. We also added Quartix (telematics), FDM (IT services) and Revolution Bars (an IPO) to the portfolio. On the sell side we exited both Brady and Senior on valuation grounds after strong runs. We sold Kalibrate after its cash performance deteriorated to the extent that we feel it will no longer meet our screening requirements. We also sold out of Soco and Escher, the latter after its shares had rallied because we were unsettled by the unpredictability its revenue.

Cumulative Performance

	YTD	1 m	3 m	6 m	1 yr	Since Launch
Fund (%)	5.33	0.44	5.33	-	-	10.05
Sector Rank	150/262	35/263	150/262	-	-	238/262
Quartile Ranking	3rd	1st	3rd	-	-	4th
IA UK All Companies (%)	5.50	-0.65	5.50	-	-	13.34

Source: Lipper, NAV to NAV, B Shares Inc, Total Return to 31.03.2015

Discrete Annual Performance

	31.03.14	29.03.13	30.03.12	31.03.11	31.03.10
	31.03.15	31.03.14	29.03.13	30.03.12	31.03.11
Fund (%)	N/A	-	-	-	-

Source: Lipper, NAV to NAV, B Shares Inc, Total Return to 31.03.2015

Investment Approach

The fund managers are looking for companies that can both grow faster than the market and are highly cash generative enabling them to fund their own growth. Typically these companies will have some form of sustainable competitive advantage, such as a unique product, or a dominant position in a particular market, leading to high margins and the ability to generate surplus cash.

Stocks and Themes in the Portfolio

One theme we like is investing in companies, which supply components that are key to the performance of their customers' end products, but represent only a fraction of that end products cost. As such they can command high margins and once designed-in these components are unlikely to be replaced. Examples of such investments in the portfolio are **Elementis**, **Porvair** and **XP Power**. **Alent**, our largest holding at the month end, is a prime example. The company is a global market leader in the production of technically demanding conductive solders and electro-plating chemicals used in the electronics industry, where specifications are becoming ever more demanding with on-going miniaturisation. The business manifests all the financial characteristics we like with 24% adjusted EBIT margins and strong cash-flows. Growth should be driven by the proliferation of electronic devices and growing use of electronics in cars and household goods. Having been demerged from Cookson the shares have yet to attract a wider following, and in our view are attractively priced compared to other speciality chemical and industrial consumables businesses.

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31 March 2015

ACD
Phoenix Fund Services (UK) Ltd

Investment Advisor
Chelverton Asset Management Ltd

Administrator
Phoenix Fund Services (UK) Ltd

Income Paid Annually

XD Dates 31 December

Valuation 12 Noon

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FURTHER INFORMATION

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PFS Chelverton UK Equity Growth Fund

Top 20 Holdings

Holding	Sector	% of Portfolio
1. Alent	Industrials	2.7
2. Spectris	Industrials	2.3
3. Liontrust Asset Management	Financials	2.2
4. Hill & Smith	Industrials	2.2
5. Renew	Construction	2.1
6. Tarsus Group	Media	2.0
7. Personal Group	Financials	2.0
8. Polypipe Group	Construction	2.0
9. Mortgage Advice Bureau	Financials	2.0
10. Clinigen Group	Healthcare	1.9
11. Craneware	Technology	1.9
12. River & Mercantile	Financials	1.9
13. Bioventix	Healthcare	1.9
14. Clarkson	Industrials	1.8
15. FDM Group	Technology	1.8
16. Cape	Support Services	1.8
17. Tristel	Healthcare	1.8
18. Quartix	Technology	1.8
19. Sanne Group	Financials	1.8
20. Servelec Group	Technology	1.8

Source: Chelverton Asset Management Limited

Sector Breakdown

	% of Portfolio
Industrials	24.2
Technology	22.7
Financials	11.6
Healthcare	8.8
Media	7.7
Consumer	6.4
Construction	6.3
Support Services	4.4
Property	1.3
Oils	0.5
Cash	6.1

Market Cap Breakdown

	% of Portfolio	No. of Stocks
Above £1bn	10.2	7
£500m-£1bn	12.6	7
£250m-£500m	14.9	10
£100m-£250m	38.4	23
Below £100m	17.9	12
Cash and Income	6.1	N/A
Total	100.00	59

Source: Chelverton Asset Management Limited

Disclaimer: This fund invests in smaller companies and carries a higher degree of risk than funds investing in larger companies. The shares of smaller companies may be less liquid and their performance more volatile over shorter time periods. The fund can also invest in smaller companies listed on the Alternative Investment Market (AIM) which also carry the risks described above. This document is provided for information purposes only and should not be interpreted as investment advice. If you have any doubts as to the suitability of an investment, please consult your financial adviser. The information contained in this document has been obtained from sources that Chelverton Asset Management Limited ("CAM") considers to be reliable. However, CAM cannot guarantee the accuracy or completeness of the information provided, and therefore no investment decision should be based solely on this data. Past performance is not a guide to future performance. This document is issued by CAM, Authorised and regulated by the Financial Conduct Authority. This document does not represent a recommendation by CAM to purchase shares in this Fund. We recommend private investors seek the services of a Financial Adviser. Phoenix Fund Services (UK) Ltd are the Authorised Corporate Director of this fund and prospectuses for the fund are obtainable directly from them. Please email pfsinfo@phoenixfundservices.com or call +44 (0) 1245 398 950.